

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)
	) Chapter 11
	)
FRANCHISE GROUP, INC., <i>et al.</i> , <sup>1</sup>	) Case No. 24-12480 (LSS)
	)
	) (Jointly Administered)
	)
Debtors.	) <b><u>Objection Deadline:</u></b>
	) <b><u>June 11, 2025 at 4:00 p.m. (ET)</u></b>

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**SUMMARY OF FOURTH  
MONTHLY FEE STATEMENT OF  
DELOITTE & TOUCHE LLP FOR COMPENSATION  
FOR SERVICES RENDERED AS INDEPENDENT AUDITOR  
TO THE DEBTORS AND REIMBURSEMENT OF EXPENSES INCURRED  
FOR THE PERIOD FROM MARCH 1, 2025 THROUGH MARCH 31, 2025**

Name of Applicant:

Deloitte & Touche LLP

Authorized to Provide Professional Services to:

Debtors and Debtors in Possession

Date of Retention:

November 3, 2024 (order entered  
January 7, 2025)

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

Period for which compensation and reimbursement is sought:	March 1, 2025 through March 31, 2025	
Amount of Compensation sought as actual, reasonable and necessary:	\$	533,178.50
80% of Compensation sought as actual, reasonable, and necessary	\$	426,542.80
Amount of Expense Reimbursement sought as actual, reasonable, and necessary:	\$	1,556.35
<b>Total Amount of Fees and Expense sought:</b>	<b>\$</b>	<b>428,099.15</b>

This is an: X Monthly      Interim      Final Application

This application contains 67.4 hours and \$20,495.50 in fees incurred with the connection with the preparation of fee applications.

### PRIOR FEE APPLICATIONS FILED

Date Filed / Docket #	Period Covered	Requested Fees	Requested Expenses	Fees Pending Approval	Expenses Pending Approval
03/14/2025 Dkt. 1100	11/03/2024 - 12/31/2024	\$ 452,318.50	\$ 1,881.88	\$ 361,854.80	\$ 1,881.88
04/21/2025 Dkt. 1294	01/01/2025 - 01/31/2025	\$ 504,992.50	\$ 917.70	\$ 403,994.00	\$ 917.70
05/02/2025 Dkt. 1386	02/01/2025 - 02/28/2025	\$ 749,372.50	\$ 2,278.66	\$ 599,498.00	\$ 2,278.66
<b>TOTAL</b>		<b>\$ 1,706,683.50</b>	<b>\$ 5,078.24</b>	<b>\$ 1,365,346.80</b>	<b>\$ 5,078.24</b>

**CUMULATIVE TIME SUMMARY BY PROFESSIONAL**  
For the Period March 1, 2025 through March 31, 2025

<b>Professional</b>	<b>Level</b>	<b>Hours</b>	<b>Fees</b>
<b><i>Financial Statement Audit and Related Services</i></b>			
Donlon, Richard	Managing Director	3.3	
Jones, Brandon	Partner/Principal	3.2	
Steffens, Marilyn	Managing Director	39.0	
Tilma-Ross, Lynne	Managing Director	4.4	
Vineyard, Bradley	Partner/Principal	2.4	
Vyas, Alka	Managing Director	37.8	
Weiss, Gregory	Partner/Principal	0.4	
Weston, Zachary	Partner/Principal	45.3	
Carrasco, Diana	Senior Manager	0.4	
Keast, Elizabeth	Senior Manager	73.1	
Saraogi, Astha	Senior Manager	80.6	
Zaorski, Michal	Senior Manager	4.3	
Eklabya, Puja	Manager	17.0	
Cavone, Rocsanna	Manager	1.3	
Collins, Mikaela	Manager	39.2	
Goodspeed, Madison	Manager	15.5	
Jain, K Rupesh	Manager	1.4	
Kumar, Ravi	Manager	14.3	
Sciano, May	Manager	96.8	
Singhal, Vasu	Manager	3.4	
Singhi, Ira	Manager	7.6	
Thomas, Ronnie	Manager	7.5	
Wintrow, Jonathan	Manager	4.3	
Alano, Michelle	Senior	2.8	
Alas, Brendan	Senior	17.0	
Bhardwaj, Sahil	Senior	0.0	
Garg, Divya	Senior	71.0	
Jhawar, Rohit	Senior	45.1	
Lassey, Katherine	Senior	98.3	
Manocha, Semantika	Senior	5.1	
Parodi, Carlos	Senior	204.9	
Rungta, Varsha	Senior	29.2	
Smith, Matthew	Senior	13.1	
Sood, Abhinav	Senior	41.1	
V, Gopika	Senior	5.0	
Bellora, Brandon	Consultant	174.1	
Budhiraja, Vrinda	Consultant	6.0	
Dada, Hajira	Consultant	45.0	

Fitzpatrick, Emily	Consultant	210.5
Jain, Saloni	Consultant	5.0
Khanduja, Bhavya	Consultant	27.7
Lnu, Simran	Consultant	49.6
Mabry, Emma	Consultant	96.0
Malhotra, Pujita	Consultant	10.2
Maxood, Fathima	Consultant	25.5
Neumann, Logan	Consultant	48.2
Peterson, Jack	Consultant	63.0
Shamim, Aarfa	Consultant	14.5
Sri Priya, Pocha	Consultant	2.5
Walker, Jana	Consultant	121.9
<b>Professional Subtotal:</b>		<b>1,934.8</b>
		<b>\$350,000.00</b>

Professional	Level	Rate	Hours	Fees
<b><i>Out of Scope Services</i></b>				
Fleming, Matthew	Managing Director	\$980.00	0.3	\$294.00
Steffens, Marilyn	Managing Director	\$980.00	10.8	\$10,584.00
Vineyard, Bradley	Partner/Principal	\$980.00	1.2	\$1,176.00
Weston, Zachary	Partner/Principal	\$980.00	14.6	\$14,308.00
Egea, Silvana	Senior Manager	\$970.00	9.7	\$9,409.00
Hussain, Sofia	Senior Manager	\$970.00	0.5	\$485.00
Keast, Elizabeth	Senior Manager	\$970.00	14.1	\$13,677.00
Saraogi, Astha	Senior Manager	\$970.00	3.7	\$3,589.00
Collins, Mikaela	Manager	\$845.00	3.6	\$3,042.00
Goodspeed, Madison	Manager	\$845.00	0.8	\$676.00
Sciano, May	Manager	\$845.00	34.2	\$28,899.00
Alano, Michelle	Senior	\$740.00	0.5	\$370.00
Lassey, Katherine	Senior	\$740.00	10.5	\$7,770.00
Parodi, Carlos	Senior	\$740.00	13.5	\$9,990.00
Smith, Matthew	Senior	\$740.00	5.9	\$4,366.00
Srivatsa, Prashanth	Senior	\$740.00	13.2	\$9,768.00
Bambroo, Sahil	Consultant	\$615.00	20.0	\$12,300.00
Bellora, Brandon	Consultant	\$615.00	19.3	\$11,869.50
Bhargav, Varala	Consultant	\$615.00	20.0	\$12,300.00
Fitzpatrick, Emily	Consultant	\$615.00	11.0	\$6,765.00
Walker, Jana	Consultant	\$615.00	1.7	\$1,045.50
<b>Professional Subtotal:</b>		<b>209.1</b>		<b>\$162,683.00</b>

Professional	Level	Rate	Hours	Fees
<b><i>Preparation of Fee Applications</i></b>				
Vineyard, Bradley	Partner/Principal	\$980.00	0.9	\$882.00
Weston, Zachary	Partner/Principal	\$980.00	4.2	\$4,116.00
McDonald, Carisa	Senior	\$275.00	0.9	\$247.50
Gutierrez, Dalia	Consultant	\$250.00	57.4	\$14,350.00
M, Deepa	Consultant	\$225.00	4.0	\$900.00
<b>Professional Subtotal:</b>			<b>67.4</b>	<b>\$20,495.50</b>
<b>Total</b>		<b>Blended Hourly Rate: \$241.12</b>	<b>2,211.3</b>	<b>\$533,178.50</b>

**CUMULATIVE FEES BY CATEGORY SUMMARY**  
For the Period March 1, 2025 through March 31, 2025

Categories	Hours	Fees
Financial Statement Audit and Related Services	1,934.8	\$350,000.00
Out of Scope Services	209.1	\$162,683.00
Preparation of Fee Applications	67.4	\$20,495.50
<b>Fees Category Subtotal :</b>	<b>2,211.3</b>	<b>\$533,178.50</b>

**CUMULATIVE EXPENSES BY CATEGORY SUMMARY**  
For the Period March 1, 2025 through March 31, 2025

Expense Categories	Total Expenses for the Period
Parking	\$57.25
Meals	\$442.72
Auto Rental	\$88.41
Auto Rental: Gasoline	\$13.63
Hotel	\$506.34
Mileage	\$448.00
<b>Expense Category Subtotal :</b>	<b>\$1,556.35</b>

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FOR THE DISTRICT OF DELAWARE**

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In re:	)
	) Chapter 11
	)
FRANCHISE GROUP, INC., <i>et al.</i> , <sup>1</sup>	) Case No. 24-12480 (LSS)
	)
	) (Jointly Administered)
	)
Debtors.	) <b>Objection Deadline:</b>
	) <b>June 11, 2025 at 4:00 p.m. (ET)</b>

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**FOURTH MONTHLY FEE STATEMENT OF  
DELOITTE & TOUCHE LLP FOR COMPENSATION  
FOR SERVICES RENDERED AS INDEPENDENT AUDITOR  
TO THE DEBTORS AND REIMBURSEMENT OF EXPENSES INCURRED  
FOR THE PERIOD FROM MARCH 1, 2025 THROUGH MARCH 31, 2025**

Pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), and the *Order Establishing Procedures for*

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

*Interim Compensation and Reimbursement of Expenses of Estate Professionals* [D.I. 353] (the “Interim Compensation Order”), Deloitte & Touche LLP (“Deloitte & Touche” or the “Applicant”) hereby files this fourth monthly fee statement (this “Monthly Fee Statement”) for allowance of compensation for professional services performed by Deloitte & Touche during the period commencing March 1, 2025 through March 31, 2025 (the “Application Period”). In support of this Monthly Fee Statement, Deloitte & Touche respectfully states as follows:

### **BACKGROUND**

1. On November 3, 2024 (the “Petition Date”), each of the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the “Court”) a voluntary petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On January 7, 2025, the Court entered the *Order Authorizing the Retention and Employment of Deloitte & Touche LLP as Independent Auditor Effective as of the Petition Date* [D.I. 670] (the “Retention Order”) authorizing the retention and employment of Deloitte & Touche as the Debtors’ independent auditor, effective as of the Petition Date.

### **RELIEF REQUESTED**

3. By this Monthly Fee Statement, Deloitte & Touche respectfully requests allowance and payment of \$426,542.80 (80% of \$533,178.50) as compensation for professional services rendered to the Debtors during the Application Period. Deloitte & Touche also seeks reimbursement of its actual and necessary expenses incurred during the Application Period in the amount of \$1,556.35, for a total requested compensation of fees and expenses of \$428,099.15. Deloitte & Touche submits this Monthly Fee Statement in accordance with the Interim

Compensation Order and the Retention Order. All services for which Deloitte & Touche requests compensation were performed for, or on behalf of, the Debtors.

**COMPENSATION REQUESTED**

4. This is the fourth Monthly Fee Statement filed by Deloitte & Touche in these chapter 11 cases. In connection with the professional services rendered, by this Monthly Fee Statement, Deloitte & Touche seeks (i) allowance of compensation in the amount of \$533,178.50 for reasonable and necessary professional services rendered, (ii) payment of compensation in the amount of 80% thereof (*i.e.*, \$426,552.80), and (iii) payment of \$1,556.35 for actual and necessary expenses incurred. The Applicant maintains computerized records of the time expended in the rendering of the professional services required by the Debtors. These records are maintained in the ordinary course of the Applicant's business. A detailed statement of hours spent rendering professional services to the Debtors in support of Deloitte & Touche's request for compensation for fees incurred during the Application Period is attached hereto as **Exhibit A**. **Exhibit A** complies with Local Rule 2016-1 in that it (i) identifies the professionals and paraprofessionals that rendered services in each project category and (ii) describes each service such professional or paraprofessional performed.

5. No agreement or understanding exists between Deloitte & Touche and any nonaffiliated or unrelated person or persons for the sharing of compensation received or to be received for professional services rendered in, or in connection with, these cases.

**DESCRIPTION OF SERVICES RENDERED**

6. Deloitte & Touche provides below an overview of the services it rendered as independent auditor to the Debtors during the Application Period. Detailed descriptions of these

services, the amount of fees incurred, and the amount of hours spent providing services throughout the Application Period are also provided in the exhibits attached hereto.

7. *Financial Statement Audit and Related Matters.* Applicant performed audit services and related procedures in connection with the consolidated financial statements for (1) Freedom VCM, Inc., (2) Franchise Group, Inc., and (3) Pet Supplies Plus, LLC, for the fiscal year ended 2024. The total hours were 1,934.8 and the total amount is the fixed fee<sup>2</sup> of \$350,000.00.

8. *Out of Scope Audit Services.* Applicant performed audit procedures, analyzed risk assessments and held discussions related to bankruptcy accounting under Accounting Standard Codification 852, *Reorganizations*. Applicant performed audit procedures over the Company's goodwill and tradename impairments during the current year given the changes in business including bankruptcy implications. Applicant performed audit procedures over the Badcock securitized receivables and secured borrowing which were not included in the original audit fixed fee. The total hours were 209.1 and the total amount is \$162,683.00.

9. *Fee Applications.* Applicant reviewed and prepared its fee applications to be filed with the Court. The total hours were 67.4 and the total amount is \$20,495.50.

#### **ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

10. Because of the benefits realized by the Debtors, the nature of services provided, the amount of work done, the time consumed, and the skill required, Deloitte & Touche requests that it be allowed, on an interim basis, compensation for the professional services rendered during the Application Period in the sum of \$533,178.50.

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<sup>2</sup> As described in further detail in the *Debtors' Application for Entry of an Order Authorizing the Retention and Employment of Deloitte & Touche LLP as Independent Auditor Effective as of the Petition Date* filed on December 3, 2024 [D.I. 295].

11. During the Application Period, allowance of compensation in the amount requested would result in a blended hourly billing rate for professionals of approximately \$241.12.

12. Deloitte & Touche respectfully submits that the professional services rendered by Deloitte & Touche on behalf of the Debtors during the Application Period were reasonable, necessary, and appropriate to the administration of these chapter 11 cases and related matters.

13. Deloitte & Touche has disbursed, and requests reimbursement for, a total of \$1,556.535 in expenses, which represents the actual and necessary expenses incurred by Deloitte & Touche in the rendition of professional services in these chapter 11 cases during the Application Period.

14. Deloitte & Touche believes that the actual and necessary expenses incurred in providing professional services during the Application Period were necessary, reasonable, and justified under the circumstances to provide services to the Debtors in these chapter 11 cases.

**DELOITTE & TOUCHE'S REQUESTED  
FEES SHOULD BE ALLOWED BY THIS COURT**

15. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Deloitte & Touche respectfully submits that the services for which it seeks compensation in this Application Period were necessary for, and beneficial to, the Debtors and were performed economically, effectively, and efficiently. Deloitte & Touche further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors. Further, in accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (i) the complexity of these chapter 11 cases; (ii) the time expended; (iii) the nature and extent of the services rendered;

(iv) the value of such services; and (v) the costs of comparable services other than in a case under this title. Accordingly, Deloitte & Touche asserts that the approval of the compensation sought herein is warranted.

WHEREFORE, Deloitte & Touche respectfully request that the Court (i) approve the Monthly Fee Statement and (ii) grant such further relief as is just and proper.

May 21, 2025

/s/ Bradley Vineyard  
Bradley Vineyard  
Partner  
Deloitte & Touche LLP

**CERTIFICATE OF COMPLIANCE AND WAIVER**

I, Bradley Vineyard, pursuant to 28 U.S.C. § 1746, to the best of my knowledge and belief, and after reasonable inquiry, hereby certify that:

1. I am a Partner with Deloitte & Touche LLP ("Deloitte & Touche"), and I am duly authorized to make this certification on behalf of Deloitte & Touche. Deloitte & Touche was retained by Franchise Group, Inc. and its affiliated debtors (collectively, the "Debtors"). This certification is made in support of the *Fourth Monthly Fee Statement of Deloitte & Touche LLP for Compensation for Services Rendered as Independent Auditor to the Debtors and Reimbursement of Expenses Incurred for the Period from March 1, 2025 Through and Including March 31, 2025* (the "Monthly Fee Statement") and in compliance with rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "Local Rules").
2. I have read the Monthly Fee Statement, and I certify that the Monthly Fee Statement substantially complies with Local Rule 2016-1.
3. The facts set forth in the foregoing Monthly Fee Statement are true and correct to the best of my knowledge, information, and belief.

Dated: May 21, 2025  
Charlotte, North Carolina

Respectfully submitted,

DELOITTE & TOUCHE LLP

/s/ Bradley Vineyard  
Bradley Vineyard  
Partner  
650 S. Tryon Street, Ste. 1800  
Charlotte, NC 28202  
Telephone: 704.887.1788  
Facsimile: 704.887.6212